



KAGARA ZINC LTD

7 June 2007

Company Announcements Office
Australian Stock Exchange Ltd
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SYDNEY NSW 2000

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Form 604 - Notice of change of interests of Substantial Holder

Please find enclosed our notice of change of interests of substantial shareholder in Metallica Minerals Ltd (ASX Code MLM) resulting from the placement of 5,385,927 MLM shares to YTC Australia on 31 May 2007.

Note that our holding in MLM is unchanged.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'David Peterson'.

David Peterson

COMPANY SECRETARY

Form 604

Corporations Act 2001

Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Metallica Minerals Ltd

ACN/ARSN 076 696 092

1. Details of substantial holder (1)Name Kagara Zinc Ltd
ACN/ARSN (if applicable) 008 988 583There was a change in the interests of the
Substantial holder 31/5/2007

The previous notice was given to the company on 6/12/2006

The previous notice was dated 6/12/2006

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Previous notice		Present Notice	
	Person's votes	Voting Power (5)	Person's votes	Voting Power (5)
Ordinary Fully Paid Shares	13,718,730	14.48%	13,718,730	12.74%

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
N/A -	No change in shareholding. Reduction in voting power due to share placement of 5.386 million MLM shares on 31 May 2007.				

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of Relevant interest (6)	Class and number of securities	Person's votes
Unchanged.					

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

6. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Kagara Zinc Ltd	Level 2, 24 Outram Street WEST PERTH WA 6005

Signature

print name David Peterson

capacity Company Secretary



sign here

date 7/6/2007

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details if appropriate, of the present association and any change in that association since the last substantial holding notice.